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## IV. Other Information

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### ***Other Retirement Plans***

Faculty and other eligible unclassified employees of the Board of Regents (Regents) office and State universities must participate in the Regents' mandatory retirement plan. Authorized by statute, this 403(b) defined contribution plan is funded through contributions by the employees and the employer (the Regents office or the State university). Employees are required to serve a one year waiting period before becoming eligible to participate in the plan, but participation can begin earlier if certain waiver provisions are met. The contributions and earnings are fully vested with the first contribution.

Employees participating in the Regents' mandatory retirement plan are required to contribute 5.5 percent of their salary, up to the maximum dollar amount permitted by the Internal Revenue Code. During fiscal year 2010, employees contributed approximately \$38.3 million. During fiscal year 2010, the 8.5 percent employer contribution totaled \$61.4 million, representing covered wages of approximately \$711.7 million. These employees, along with employees who participate in the KPERS retirement program, may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code, in the Regents' voluntary retirement plan, which allows the member to purchase a 403(b) contract to supplement the mandatory retirement plan. These employees, along with employees who participate in the KPERS retirement program, may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code in the State's 457 deferred compensation program, to supplement their mandatory retirement plan.

The retirement plan for the School for the Blind and the School for the Deaf are also covered by KPERS in the 401(a) defined benefit plan. The KPERS employee rate is 4 percent and 7.97 percent employer rate (6.97 percent employer and 1 percent death & disability).

### **F. Subsequent Events**

#### ***Bonds and Notes***

##### **Short-term Debt**

*Certificate of Indebtedness* – On July 1, 2010, the Pooled Money Investment Board (PMIB) issued a \$700 million Certificate of Indebtedness per K.S.A. 75-3725a, subject to redemption not later than June 30, 2011. See Section III-J, Short-term Obligations, for additional information on issuance of a Certificate of Indebtedness.

*Accrued Receivables for Ad Valorem Taxes* – In July 2010, receivables were posted to the State Treasurer's receivables in the amount of \$28.5 million for the Kansas Educational Building Fund and \$14.3 million for the State Institutions Building Fund per K.S.A. 76-6b11. See Section III-J, Short-term Obligations, for additional information.

*Accrued Receivables for Children's Initiatives Fund* – In July 2010, receivables were posted to the State Treasurer's receivables for the Children's Initiatives Fund in the amount of \$29.1 million per Senate Bill No. 572, Section 61(f), Session of 2010. See Section III-J, Short-term Obligations, for additional information.

*Accrued Receivables for Economic Development Initiatives Fund* – In July 2010, receivables were posted to the State Treasurer's receivables for the Economic Development Initiatives Fund in the amount of \$17.9 million per Senate Bill No. 572, Section 61(g), Session of 2010.

*Accrued Receivables for Correctional Institutions' Building Fund* – In July 2010, receivables were posted to the State Treasurer's receivables for the Correctional Institutions' Building Fund in the amount of \$3.6 million per Senate Bill No. 572, Section 61(h), Session of 2010.

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*Accrued Receivables for Kansas Endowment for Youth Fund* – In July 2010, receivables were posted to the State Treasurer’s receivables for the Kansas Endowment for Youth Fund in the amount of \$207.2 thousand per Senate Bill No. 572, Section 61(i), Session of 2010.

*Accrued Receivables for 27<sup>th</sup> Payroll* – In July 2010, receivables were posted to the State Treasurer’s receivables for the 27<sup>th</sup> Payroll in the amount of \$3.8 million per Senate Bill No. 572, Section 61(i), Session of 2010.

### Long-term Debt

*Revenue Bonds* – In July 2010, the KDFA issued Series 2010O-1 and 2 for continued renovation projects for the State Capitol and National Guard armories. The O-1 bond series totaled \$3.5 million with interest rates ranging from 3.0 to 4.0 percent. The bonds final maturity is May 1, 2013. The O-2 bond series (taxable Build America Bonds) totaled \$39.9 million with interest rates ranging from 2.7 to 6.1 percent. The bonds final maturity is May 1, 2030.

*Revenue Bonds* – In August 2010, the Kansas Department of Transportation issued Series 2010A (taxable Build America Bonds) to fund highway projections. The bonds totaled \$325 million with interest rate of 4.6 percent. The bonds final maturity is on September 1, 2035.

*Revenue Bonds* – In December 2010, the KDFA issued the Kansas Revolving Funds Revenue Bonds Series 2009SRF-1, 2 and 3 for the Department of Health and Environment. A portion of these bonds will be used to refund \$193.2 million in prior bonds. The bonds totaled \$214 million (\$60.5 taxable Build America Bonds) with interest rates ranging from 1.7 to 5.2 percent. The bonds final maturity is on March 1, 2025.

*Revenue Bonds* – In December 2010, the KDFA issued Series 2010U-1 and 2 for Kansas State University for energy conservation projects. A portion of these bonds will be used to refund \$6.1 million in prior bonds. The bonds totaled \$25 million with interest rates ranging from 1.8 to 6.2 percent. The bonds final maturity is on May 1, 2029.

### G. Economic Condition

While the U.S. economy has been growing since the third quarter of calendar year (CY) 2009, the rate of growth has slowed somewhat in CY 2010. Concerns of a double-dip recession nevertheless have waned over the summer, and assumptions are that modest growth will continue in the national and state economies in calendar years 2011 and 2012. Current forecasts call for nominal Gross Domestic Product to grow by 3.6 percent in CY 2011 and 5.8 percent in CY 2012 (coming off a 3.4 percent increase in CY 2010); and nominal Kansas Gross State Product to grow by 4.1 percent in CY 2011 and 5.8 percent in CY 2012 (after a 4.3 percent increase in CY 2010). Significant uncertainty remains relative to employment in several of the State’s key sectors, including aviation manufacturing, though there is some evidence that rural areas of the State may be emerging from the economic downturn faster than the nation as a whole as a result of a weak dollar and strong demand for exports. The Consensus estimates are premised on a continued recovery of the State’s economy during the balance of fiscal year (FY) 2011 and slightly accelerating growth throughout FY 2012.